



Group Health Plan Advisory

Medicare Part D Notice & Reporting of Prescription Drug Coverage

BACKGROUND INFORMATION **NOTICE & REPORTING OF CREDITABLE OR NON-CREDITABLE Rx COVERAGE**

As we approach the Medicare annual open enrollment period, this is a reminder that employers sponsoring group health plans that offer prescription drug coverage must notify eligible individuals about whether the coverage is “Creditable” or “Non-Creditable.” The purpose of the notice is to assist individuals in making an informed decision about whether to enroll in Medicare Part D, and to avoid late enrollment penalties for failing to enroll in Part D when they are first eligible if it turns out that the employer’s prescription drug plan is not creditable. Employers are also required to report annually to the Centers for Medicare & Medicaid Services (CMS) on the creditable status of their prescription drug coverage.

Employers offering prescription drug benefits within Group Health Plans are required by the Medicare Part D regulations to distribute a notice of Creditable or Non-Creditable prescription drug coverage to Medicare eligible employees and retirees by October 14 each year. Creditable means the coverage is “as good as” and comparable to Medicare Part D coverage.

In addition to this notice to Medicare-eligible employees, employers must also report to the Centers for Medicare and Medicaid Services (CMS) as to their plan(s)’ Creditable or Non-Creditable status.

Reporting is due to CMS within 60 days of the beginning of the plan year: within 30 days after termination of a prescription drug plan; or within 30 days after any change in Creditable or Non-Creditable coverage status.

CMS Notice: [Model Creditable Coverage Disclosure Notice](#)

CMS Notice: [Model Non-Creditable Coverage Disclosure Notice](#)

[CMS Reporting Form Link](#)

**CMS REPORTING REFERENCE CHART
TIMELINE TO REPORT CREDITABLE OR NON-CREDITABLE
Rx COVERAGE TO CMS ONLINE**

If the Plan Year Begins:	Report Online to CMS By:
Jan. 1	Mar. 1
Feb. 1	April 1
Mar. 1	May 1
Apr. 1	June 1
May 1	July 1
June 1	Aug. 1

If the Plan Year Begins:	Report Online to CMS By:
July 1	Sept. 1
Aug. 1	Oct. 1
Sept. 1	Nov. 1
Oct. 1	Dec. 1
Nov. 1	Jan. 1
Dec. 1	Feb. 1

REMINDERS & TAKEAWAYS

- Distribute the Creditable or Non-Creditable coverage notice to all Medicare-eligible employees by October 14.
 - The notice need not be sent as a separate mailing and may be included with other plan participant materials as long as it is prominent & conspicuous. If it is known that any Medicare eligible spouse or dependent resides separately from the participant, a separate notice is required. Plan sponsors may use e-mail to provide the notice only with consent and a valid e-mail address for the beneficiary. The individual must also be advised of his or her right to receive a paper version. In addition to e-mail delivery, the notice must be posted on the entity’s website (except for personalized notices).
- Complete the online disclosure to CMS within 60 days of the beginning of the plan year.

Please contact your Oswald client team representative for further information.